

OGC HAS REVIEWED.

Approved For Release 2002/05/08 : CIA-RDP57-00384R000700060057-9

CONFIDENTIAL

SECURITY INFORMATION

MEMORANDUM FOR THE RECORD

31 October 1951

SUBJECT: Procurement Planning

talk to you abt this LPH

1. The planning staff of the Procurement Office has been tabulating estimated procurement requirements for the fiscal years 1952 and 1953, which run into many millions of dollars of military, paramilitary, special device, and ordinary items. The majority of this material will be purchased through the military services. However, there will be a very substantial and increased amount of CIA procurement, which will pose a problem of security and a problem of workload.

2. Due to the highly classified nature of much of the material, formal advertising cannot be used in such cases. It will be necessary instead to limit the bid list or negotiate with only one cleared firm. This can be done on vouchered funds, after approval of negotiation by the DDA on the ground of security as provided in CIA regulation [] and the Armed Services Procurement Act. His determinations can be made in individual cases, on the basis of a list attached, or by classes of items to be purchased.

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3. Certain items which are highly sensitive from a security standpoint should be purchased on unvouchered funds, in which case Procurement can dispense with advertising to the extent necessary. It is the policy of the Agency, set out in CIA regulation [] to use vouchered funds where possible and this is a salutary rule. However, as is shown in my memorandum for the record dated 31 October 1951, in very sensitive cases unvouchered funds should be used.

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4. The volume of procurement expected will pose a problem of workload for the Procurement Office and may make it difficult to meet required deadlines. Very often advertising consumes less time overall than negotiation, since the latter requires a breakdown of estimated costs, study of this data by the government, negotiation with the contractor, and frequently a price revision clause which is time consuming to administer. At other times speed in execution of the contract will be very important and advertising will therefore be impracticable. In such cases, the DDA can approve negotiation on the basis of the current national emergency. (CIA regulation [] para. 1 C (1))

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5. Procurement and this office should collaborate closely in the development of this program.

OGC/RGH:imm

Distribution:

2 - OGC ✓

2 - Signer

1 - Procurement (*hand carried by RGH*)

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